

SAMPLE ILLUSTRATION* OF A CGA

CHARITABLE GIFT ANNUITIES

82 YEARS OLD — SINGLE BENEFICIARY — CGA ESTABLISHED ON 1/6/2015 — \$10,000 CGA — 7.2% ANNUITY RATE — 2.2% IRS TAX DISCOUNT RATE

YEAR 1 TAX SAVINGS

\$5,211.30
+
\$576.72
= \$5,788.02

CHARITABLE DEDUCTION FOR INITIAL GIFT
QUARTERLY TAX-FREE PAYMENTS (\$144.18 EACH)
TOTAL TAX SAVINGS & TAX FREE INCOME



YEAR 1 INCOME

TAX-FREE PORTION OF QUARTERLY PAYMENT (\$144.18 X 4) = \$576.72
+
TAXABLE PORTION OF QUARTERLY PAYMENT = \$143.28
= ANNUAL PAYMENT TO DONOR \$720.00



IF THE DONOR LIVES FOR TEN YEARS

TOTAL TAX SAVINGS

\$5,211.30
+
\$4,786.77
= \$9,998.07

CHARITABLE DEDUCTION FOR INITIAL GIFT
8.3 YEARS TAX-FREE QUARTERLY INCOME
TOTAL TAX SAVINGS & TAX FREE INCOME



CHARITABLE PURPOSES

AMOUNT AVAILABLE FOR CHARITABLE PURPOSES AFTER DEATH IF DONOR LIVES 10 YEARS = \$5,211.30



*After 8.3 years, all quarterly payments become subject to tax. Assumes a 4% average investment return.

These calculations are for illustration purposes only, and should not be considered legal, accounting or other professional advice.

Actual benefits will vary depending on the age of the donor and the timing of the gift. CGAs can be set up for one or for two beneficiaries.

Rates were current at the time this illustration was prepared but are subject to change.

The charitable purpose for the remainder left in the CGA is stipulated at the time the CGA is created, and can include a Donor Advised Fund.

For a free, confidential, no-obligation consultation on how a CGA might work for you, contact Thomas Mesko, CAP® Professional Advisors Officer at The Philadelphia Foundation:

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